

Ciudad Juarez, Chihuahua, Mexico



Ciudad Juarez is the largest city in the Mexican state of Chihuahua, with an estimated population of two million people. Industrial growth drives immigration from southern Mexico. Twin manufacturing facilities, commonly known as maquilas, represent the major sector of the economy. Of the production sharing plants in Mexico, 90% are situated along the US-Mexico border and 33% are found in Juarez.

Approximately 330 registered maquiladora operations in Juarez employ over 200,000 people. Recent expansions represent a trend away from solely low-tech products to sectors such as medical device, high tech and third party logistics. With labor and technology investment increasing in the region, the Juarez outlook for 2009 is strong.

The community offers a full range of transportation options and logistic support. There are three major commercial ports of entry: Zaragoza in the east, Cordova in the center and Santa Teresa in the west. The Dedicated Commuter Lane at the Lerdo/Stanton Street Bridge and at Zaragoza Bridge reduces plant-to-home driving time to less than 25 minutes.

Primary sectors include electronics, automobile parts, medical products, metal stamping and data processing. Additional factors driving growth in Juarez include warehousing and distribution hubs, due to the proximity to US markets. Recently, even some operations outsourced to Asia have returned to the metro area. Juarez hosts Philips, Thomson, General Motors, Electrolux, Yazaki, Foxconn, Lear, Johnson & Johnson, GE Medical, Johnson Controls, Delphi and Ford. Much of the industrial activity in 2008 was due to new projects. Recently Electrolux finished the expansion of 1.5 million SF and started operations. Foxconn purchased 593 acres of land and will employ 9,350 people in the first three phases.

During 2008 lease rates were flat; however, rates are expected to remain constant during 2009. Industrial space is currently leasing between \$4.75 and \$5.50 per SF per year for Class A industrial space. Class B facilities tend to range lower from \$4.00 per SF per year to \$4.75 per SF per year. Typically, price concessions may be received through longer-term lease commitments and strong credit corporate guarantees. Industrial development land prices range from \$3.25 to \$5.57 per SF. Prices for land increased during recent years and may increase more as demand for industrial and commercial space increases.

The office market is growing but not significantly. Most demand derives from local firms, government agencies and global service providers with regional operations. Overall rates are stable with vacancies ranging from 10-20% in most office corridors. Retail lease rates are rising with vacancies falling in small and local neighborhood strip centers. Big US retailers such as Costco, Wal-Mart, Sams, Auto Zone and Home Depot are following Mexican retailers into the market.

Contact

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Country Data

Area	1,972,550
GDP Growth (%)	3.2
GDP 2008 (US\$ B)	1,162
GDP/Capita (USD)	10,889
Inflation Rate (%)	4.9
Unemployment Rate (%)	3.9
Population (Millions)	109,995

Juarez At A Glance

RENT/SF/YR

	Low	High	Effective Avg.	Vacancy
DOWNTOWN OFFICE				
New Construction (AAA)	\$ 12.00	\$ 17.00	\$ 14.50	N/A
Class A (Prime)	\$ 9.00	\$ 13.00	\$ 11.00	5.0%
Class B (Secondary)	\$ 8.00	\$ 10.00	\$ 8.75	10.0%
SUBURBAN OFFICE				
New Construction (AAA)	\$ 13.00	\$ 15.00	\$ 14.25	15.0%
Class A (Prime)	\$ 15.00	\$ 16.00	\$ 15.00	10.0%
Class B (Secondary)	\$ 12.00	\$ 13.00	\$ 11.00	20.0%
INDUSTRIAL				
Bulk Warehouse	\$ 3.30	\$ 4.00	\$ 3.60	5.0%
Manufacturing	\$ 4.00	\$ 6.00	\$ 4.80	5.0%
High Tech/R&D	N/A	N/A	N/A	N/A
RETAIL				
Downtown	\$ 15.00	\$ 20.00	\$ 13.00	N/A
Neighborhood Service Centers	\$ 10.00	\$ 12.00	\$ 9.50	27.5%
Community Power Center	N/A	N/A	N/A	N/A
Regional Malls	N/A	N/A	N/A	N/A
DEVELOPMENT LAND				
Office in CBD	N/A	N/A	N/A	N/A
Land in Office Parks	\$ 5.57		\$ 180.00	
Land in Industrial Parks	\$ 3.25		\$ 50.00	
Office/Industrial Land - Non-park	N/A		N/A	
Retail/Commercial Land	\$ 7.45		\$ 24.00	
Residential	\$ 9.00		\$ 19.00	